

REMARKS

Applicant respectfully requests reconsideration of the present application in view of the foregoing amendments and in view of the reasons that follow.

Claims 3, 9, 15, 17-22, 24, 27, 30, 34, 40 and 42-52 are requested to be cancelled without prejudice.

Claims 1, 2, 4-8, 10-14, 16, 23, 25, 26, 28, 29, 31, 33, 35-39 and 41 are currently being amended.

Claims 53-58 are being added.

This amendment adds, changes and/or deletes claims in this application. A detailed listing of all claims that are, or were, in the application, irrespective of whether the claim(s) remain under examination in the application, is presented, with an appropriate defined status identifier.

After amending the claims as set forth above, claims 1, 2, 4-8, 10-14, 16, 23, 25, 26, 28, 29, 31-33, 35-39, 41, and 53-58 are now pending in this application.

1. Elections/Restrictions

In Section 2 of the Office Action, the Examiner set forth a Restriction Requirement identifying the following two Groups:

Invention III: The claims 1, 2, 4-16, 23-26, 28, 29 and 31-41 are drawn to a computerized system and a process for computerized mortgage application and qualification.

Invention IV: The claims 17-22 are drawn to a method for underwriting an online loan application.

Applicant elects the subject matter designated as Group III (claims 1, 2, 4-16, 23-26, 28, 29 and 31-41) without traverse. Claims 17-22 have been cancelled without prejudice in order to further prosecution on the merits.

2. Claim Rejections – 35 U.S.C. § 103

In Section 5 of the Office Action, the Examiner rejected claims 1, 2, 4-16, 23-26, 28, 29 and 31-41 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,870,721 (Norris) in view of U.S. Patent No. 6,029,149 (Dykstra).

Applicant has amended claim 1 to more clearly define around the prior art. Specifically, independent claim 1, as now amended, recites an on-line mortgage loan application and qualification method which comprises “identifying a plurality of approved mortgage products based on the loan application data, the plurality of approved mortgage products being identified using an automated underwriting engine that generates underwriting recommendations based at least in part on preselected underwriting guidelines of a secondary mortgage market purchaser,” “calculating a customized interest rate based on the financial information for each of the plurality of approved mortgage products,” and “providing information regarding approval status and the customized interest rate for presentation to the borrower for each of the plurality of approved mortgage products for borrower comparison and selection of one of the plurality of approved mortgage products” (emphasis added). Norris and Dykstra do not teach or suggest claim 1 because Norris and Dykstra do not teach or suggest these features.

First, Norris and Dykstra do not teach or suggest claim 1 because Norris and Dykstra do not teach or suggest identifying a plurality of approved mortgage products and providing approval status and customized interest rate information for each of the plurality of approved mortgage products for borrower comparison and selection of one of the plurality of approved mortgage products.

From the Office Action, it appears the Examiner may contend these features are disclosed at Norris, col. 1, line 65 to col. 3, line 38 and/or at Dykstra col. 7 lines 63-65. Specifically, claim 1 as originally filed recited a related feature, namely, “underwriting said loan to determine an approval status . . . for said loan and for other loans.” In the Office Action, the Examiner does not address this limitation specifically but rather cites generally to Norris, col. 1, line 65 to col. 3,

line 38 as showing many of the features of original claim 1. However, Norris does not contemplate providing approval status and customized interest rate information for each of a plurality of approved mortgage products. For example, Norris, col. 2, lines 8-13 states that a computer is used to “enable the complete, automated processing of the application, namely, . . . (2) the underwriting, meaning the evaluation and approval, of the loan.” Hence, Norris contemplates providing a borrower with approval and rate information for only a single loan product and not for multiple loan products. There is no disclosure of providing approval status and customized interest rate information for each of a plurality of approved mortgage products for borrower comparison and selection.

Likewise, original claim 2 recited a related feature, namely, “selecting one of said loan and other loans.” In connection with this feature, the Examiner cited Dykstra col. 7 lines 63-65: “[a]llowing the end user to view individual lenders’ interest rates and lending terms for each loan product.” However, this disclosure does not teach or suggest providing approval status and customized interest rate information for each of a plurality of approved mortgage products for borrower comparison and selection. Particularly, this disclosure only appears to disclose providing a borrower with general product information (loan terms and interest rates available to a hypothetical borrower, etc), and not approval status and customized interest rate information for multiple approved mortgage products for a specific borrower. Dykstra does not contemplate presenting multiple, different approved mortgage products to a borrower for consideration and selection.

The approach of Norris and Dykstra is philosophically different from the approach as embodied in claim 1. In Dykstra, for example, when a borrower submits a loan application, the borrower is essentially asking “Here is my loan application. Am I approved?” The product selection, to the extent there is any, occurs before the loan application is submitted. In claim 1, the borrower (or a loan officer acting on the borrower’s behalf, etc.) is essentially asking “Here is my loan application. What mortgage products can I get approved for?” The borrower may then compare the approved products and select one of the approved mortgage products for a mortgage

loan. Neither Norris nor Dykstra identify a plurality of approved products based on a loan application. Further, neither Norris nor Dykstra provide a borrower with approval and rate information for comparison and selection of one of the approved mortgage products.

Second, Norris and Dykstra do not teach or suggest claim 1 because Norris and Dykstra do not teach or suggest generating underwriting recommendations based at least in part on underwriting guidelines of a secondary mortgage market purchaser.

From the Office Action, it appears the Examiner may contend these features are inherently disclosed in Norris. That is, original claim 11 recited a related feature, namely, “determining if said potential borrower and said loan meet preselected underwriting guidelines of a secondary mortgage market purchaser.” With respect to claim 11 as originally presented, the Examiner stated that “[t]he partial analysis inherently includes the step of determining if said potential borrower and said loan meet preselected underwriting guidelines of a secondary mortgage market purchaser based on said financial information....”

“In relying upon the theory of inherency, the examiner must provide a basis in fact and/or technical reasoning to reasonably support the determination that the allegedly inherent characteristic necessarily flows from the teachings of the applied prior art.” Ex parte Levy, 17 USPQ2d 1461, 1464 (Bd. Pat. App. & Inter. 1990) (emphasis in original).

Generating underwriting recommendations based at least in part on preselected underwriting guidelines of a secondary mortgage market purchaser is not inherent in Norris. Applicant notes that comparison of loan application data to underwriting guidelines of a secondary market purchaser is not a necessary step to making a loan, particularly not in the context of smaller, consumer loans as contemplated by Norris. “Naturally, for large loans, the safeguards for the lender take time. But for smaller loans, those above credit-card limits but still below a level where there might be a significant concern of the ability of the lender [sic borrower] to repay the loan, there exists a need for greater convenience.” Norris, col. 1, lines 53-63 (emphasis added). The teachings of Norris are therefore intended to be used for small

loans which are below a level where there might be a significant concern of the ability of the borrower to repay the loan, not for large loans (such as mortgage loans) where safeguards for the lender (e.g., underwriting guidelines) take time for compliance. Thus, Norris teaches against use of the Norris system for larger loans (where underwriting guidelines of a secondary market purchaser might be used). Indeed, Norris does not even make any reference to secondary mortgage market purchasers. In any event, generating underwriting recommendations based at least in part on preselected underwriting guidelines of a secondary mortgage market purchaser is not inherent in Norris.

Independent claims 11, 23, 26, 28, and 36 have been amended to include features similar to those discussed above in connection with claim 1 and therefore are believed to be allowable for the same reasons that claim 1 is allowable. Further, claims 11, 23, 26, 28, and 36 are allowable for reciting other novel and non-obvious features. For example, claim 11 recites "receiving an on-line operator selection of the one of the plurality of approved mortgage products;" "providing updated customized interest rate information for presentation to the borrower during a float period after the operator selection is received;" and "receiving an on-line operator lock of the customized interest rate for the selected mortgage product." The concept of providing on-line updated customized rate information during an float period is not taught or suggested by Norris and Dykstra. Likewise, claim 26 recites a similar arrangement wherein the customized interest rate is calculated based on credit risk posed by said the hypothetical borrower, product characteristics of the mortgage product, loan-to-value ratio, and loan purpose, and then on-line updated customized rate information is provided during a float period.

The remaining claims are dependent claims and are allowable for the reasons their respective base claims are allowable and for reciting other novel and non-obvious features.

* * *

Applicant believes that the present application is now in condition for allowance. Favorable reconsideration of the application as amended is respectfully requested.

The Examiner is invited to contact the undersigned by telephone if it is felt that a telephone interview would advance the prosecution of the present application.

The Commissioner is hereby authorized to charge any additional fees which may be required regarding this application under 37 C.F.R. §§ 1.16-1.17, or credit any overpayment, to Deposit Account No. 06-1447. Should no proper payment be enclosed herewith, as by a check being in the wrong amount, unsigned, post-dated, otherwise improper or informal or even entirely missing, the Commissioner is authorized to charge the unpaid amount to Deposit Account No. 06-1447. If any extensions of time are needed for timely acceptance of papers submitted herewith, Applicant hereby petitions for such extension under 37 C.F.R. §1.136 and authorizes payment of any such extensions fees to Deposit Account No. 06-1447.

Respectfully submitted,

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